Mr. Murphy said that it would not be necessary immediately to specify any particular agency. Later on a particular agency could be named after it became clear that the Congress would not act on the joint project. He asked whether the reference to the I.J.C. would cover the Canadian waterway as well as the power facilities.

Mr. Pearson said that it was not necessary to refer the Canadian waterway to the I.J.C. The Canadian Government, however, was prepared to give the most definite assurances that the waterway would be constructed by Canada. The engineers designated by Canada to sit on any engineering board set up for the power facilities by the I.J.C. would be the same men who would be responsible for the plans for navigation.

Mr. Acheson then inquired whether any issues concerning water levels in the St. Lawrence would arise in connection with the building of the canal in Canadian territory. Mr. Chevrier explained that in constructing the Canadian waterway the plans employed for regulation of levels were those embodied as Method No. 5 in the plans for the joint project and that these plans had been fully agreed by the engineers of both countries. Mr. Pearson remarked that if it was found that the building of a Canadian waterway involved matters coming within the scope of the Boundary Waters Treaty of 1909 the question of levels in the river might have to be considered by the I.J.C.

In answer to a question by Mr. Acheson, Mr. Chevrier gave an assurance that the plans for power development would be the same as those worked out in the 1941 Agreement if the waterway was to be constructed by Canada.

Mr. Pearson and Mr. Chevrier remarked that it would be an advantage if the U.S. agency which would cooperate with Ontario were the New York Power Authority. They explained that Ontario and New York had already worked out an agreement on the tricky question of the division of costs between power and navigation facilities and that it would be very convenient not to disturb this.

The President agreed that the two governments should go ahead at once in preparing an application to the I.J.C., remarking that this might stimulate the Congress to move on the joint project. He asked Mr. Murphy to urge the U.S. Departments and Agencies concerned to get on with the preparation of an application as rapidly as possible. He added that he would do anything that was legal, legitimate and fair to further the project at this time.

Mr. Murphy observed that one of the things that would need doing would be to get before the Federal Power Commission an application of a U.S. entity for permission to construct the U.S. share of the power facilities.

Mr. Acheson then said that he wished to be quite clear on the agreement which had been reached. He inquired in understanding the discussion as concluded that not [illegible] of thirty days would be left after the Senate Foreign Relations Committee considered the joint project on April 22nd before an

DEPARTMENT OF STATE A/CDC/MR
DATE 7-1-81
TS AUTH. _____ REASON(S) _____
ENDORSE EXISTING MARKINGS [ ]
ENCLOSURE TO BE [illegible] ABLE [✓]
RELEASE AS [illegible] EXCISED [illegible]
COPY NOT [illegible]

DECLASSIFIED

application would be submitted to the I.J.C., and that later on if it became apparent that the joint project was dead a specific agency would be designated by the President to develop the U.S. part of the power works?

Mr. Pearson said that that was not his exact understanding. What he understood was that an application would be filed with the I.J.C. as soon as it could be prepared without any necessity for waiting thirty days from April 22nd if the application was ready before then. During the thirty-day period, the designation by the United States of a particular agency to undertake the power development was not expected, but this would follow in due course if Congress had taken no action. If the Congress were to approve the joint project within that time, or indeed at any time while the application was under consideration by the I.J.C., both governments would be ready to revert to the 1941 Agreement and withdraw the matter from the I.J.C.

The President endorsed the interpretation given by Mr. Pearson, and it was agreed to proceed as rapidly as possible with the preparation of the application to the I.J.C. It was also agreed that the press should be so informed at once.

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY CKC DATE 7-1-81
Jor XD EXT. DATE
TS AUTH. REASON(S)
ENDORSE EXISTING MARKINGS
DECLASSIFIED/RELEASABLE
RELEASE DENIED
FA or FOI EXEMPTIONS

DECLASSIFIED